

## **SUMMARY OF CHANGES TO PRECIOUS METAL AND GEM AND SECONDHAND DEALER'S ORDINANCE**

In 2011 the Gresham Police Department began a review of the Precious Metal and Gem and Secondhand Dealer Ordinance, GRC Article 9.15. Due to a changing marketplace and a rise in property crimes, the Department became aware that many criminals were making use of pawn shops, secondhand dealer shops, and precious metal and gem shops to quickly sell stolen property. The Department contacted other area law enforcement agencies in order to learn how these agencies were responding to this type of activity in their jurisdictions.

After many months of reviewing Gresham's existing Precious Metal and Gem and Secondhand Dealer Ordinance, the Gresham Police Department and the Gresham City Attorney's Office approached the Gresham City Council with a proposal to update the language and scope of GRC Article 9.15. On July 1, 2014 the Council voted to accept the proposed changes. The following is a summary of the major changes. This summary is provided as an informational aid to assist interested parties to quickly assess what changes have taken place. The entire code can be found here: [GRC 9.15](#)

1. Scope of Property Regulated Under Ordinance. The definition of "Regulated Property" which are the items regulated under this article, has been revised to reflect law enforcement's current focus on precious metal and gems and secondhand goods that are at risk of being stolen and resold in secondhand dealer venues. GRC 9.15.020.
2. Background check of Owners and Employees. Owners and Employees must agree to a background check prior to obtaining a secondhand dealer permit. Dealer's must submit status changes to the owner and employee background information within ten (10) days of a change occurring. GRC 9.15.040. The process being used for the background check for shop owners, and employees is done through the Oregon State Police through a process called Oregon Open Records check. The cost of this check is \$10.00. Additional information regarding Oregon Open Records can be obtained by following this link: <https://xn.osp.state.or.us/openrec/>
3. Cause for Denial of Permit. A permit may be denied if an owner or employee has been convicted of any felony or any misdemeanor involving bribery, controlled substances, deception, dishonesty, forgery, fraud, or theft or any attempt or conspiracy to commit any of these offenses. GRC 9.15.050.
4. Seller's Information. The Dealer must obtain the Seller's valid photo identification, or take a photograph of the seller, obtain the seller's declaration of ownership of the item, and take a thumbprint. GRC 9.15.080.
5. Submitting Transaction Reports. Dealers must submit daily transaction reports on a form or format designated by the Chief of Police. For Dealers that buy 50 items per year or more, the current designated format is the electronic Regional Automated Property Information Database (RAPID) system. Dealers that buy less than 50 items per year may submit reports in a paper format. GRC 9.15.080.
6. Holding Period. Dealer's must hold regulated property for thirty (30) days before that property can be sold. GRC 9.15.090.
7. Exception to portions of Transaction Report and Holding Periods if property purchased from a valid Dealer. If regulated property is purchased from a Dealer (i.e. pawn shop, secondhand dealer shop, or precious metal and gem dealer) with a valid license under this code, the Dealer is required to complete a transaction report, but not required to obtain ID and have the seller complete a Declaration of Ownership form. The 30 day holding requirements are applicable only if the seller has not yet satisfied them. See GRC 9.15.095(1).
8. Exceptions to portions of Transaction Report under some circumstances. If a Dealer purchases regulated property from over 150 miles away, a trade show, a charitable thrift shop, the internet, or a garage sale/

estate sale / swap meet, then the Dealer is required to complete a transaction report, but not required to obtain ID, video, thumbprint, or have seller complete Declaration of ownership. GRC 9.15.095(2).

9. Release of Property. The ordinance includes a "Release of Property" process to return stolen property to victims when no one is prosecuted for a crime. Under these circumstances, once a property owner/victim has been notified by law enforcement that their stolen property has been located in a Gresham shop, the property owner/victim will notify the Dealer of its opportunity to file a motion in court for return of seized property under ORS 133.633. If the Dealer does not file a motion within ten (10) days of notice, the property will be released to the victim, at no cost. GRC 9.15.117.
10. Prohibited Acts. Dealers shall not receive property from a person prohibited by a court to sell such property, from a minor, or person who the Dealer has been notified by law enforcement has been convicted of burglary, robbery, theft, etc. No Dealer shall receive prohibited property such as medications, gift or phone cards, or property with altered or illegible serial numbers. GRC 9.15.130.